

Senator Linda Evans Parlette

2005 Legislative Review

JULY 2005



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Dear Friends and Neighbors,

The 2005 session is complete and it is a pleasure to be back home in the 12th District. The good news is that the 105-day session finished on time on April 24. The sad news is that we passed another operating budget that is not sustainable which will therefore make us face very tough decisions in 2007 when we write the next two-year budget.

For me personally, the highlight of the session was passage of a bill that I prime-sponsored that provides much-needed financial help to struggling cities and counties throughout the state, including several in our district. The biggest disappointment of the session was the lack of what I consider "true election reform."

This newsletter will provide a brief overview of the state operating, capital and transportation budgets, as well as highlights in some other areas. If you are interested in more information on any of the issues covered or not covered in this newsletter, please do not hesitate to contact me.

As always, there is more work to be done in the future. During the interim, in addition to serving on a variety of task forces and working on 12th District issues, I will continue to focus on a vision of improving the economic vitality of the rural area I represent. If you have ideas, I am willing to listen.

I am sending out monthly e-mail updates during the interim to keep people informed on what I'm working on this summer and fall. If you currently don't receive my e-mail updates and would like to be added to the e-mail list, please let me know.

Earlier this year, I mailed out the new 2005-06 Government Guide for the 12th District. If you did not receive a copy and would like one, I'll gladly send you one. Just contact my district office.

Thank you for the privilege of representing you as your state senator. I am very honored to serve you. Please keep in touch.

With warmest regards,

A handwritten signature in blue ink that reads "Linda Evans Parlette". The signature is fluid and cursive, with the first name "Linda" being the most prominent.

Linda Evans Parlette

New state operating budget

On the final weekend of the session, the Legislature passed a new two-year, \$26 billion state operating budget (ESSB 6090). I voted against the operating budget for these important reasons:

- It increases state spending by 11.7 percent over the 2003-05 budget — nearly four times the rate of inflation. We could have adopted a budget that stayed within the expected 7 percent increase in revenue, avoided tax increases and still covered the state's spending needs over the next two years.
- Because of several "budget tweaks," it won't be sustainable two years from now, meaning that the state likely will face another budget deficit in 2007.
- It raises taxes by \$400 million. These tax hikes include:
 - ✓ partial reinstatement of the estate tax (also known as the "death tax"), which was ruled unconstitutional by the state Supreme Court earlier this year. Family farm homes are exempt. In addition, an exemption is provided for the first \$1.5 million of any estate this year and up to \$2 million of an estate in 2006 and beyond;
 - ✓ a 60-cent-per-pack increase in the cigarette tax;
 - ✓ a \$1.33-per-liter liquor tax; and



- ✓ sales tax on extended warranties.

The new operating budget implements education initiatives passed by Washington voters several years ago:

- Funds teachers' cost-of-living allowance (1.2 percent and 1.7 percent in next two years) (I-732).
- Funds step-up in per-pupil funding from \$254 currently to \$375 at the end of 2007 (I-728).

(To learn more about the new state operating budget, go to the Senate Ways and Means Committee Web site at <http://www1.leg.wa.gov/Senate/Committees/WM/> or leap.leg.wa.gov.)

State spending limit measure gutted

Late this session, Gov. Gregoire signed into law Substitute Senate Bill 6078, which repeals voter-approved state spending limits and allows taxes to be increased by a simple majority vote in the Legislature. The spending and tax limits were enacted when Washington voters approved Initiative 601 in 1993. This new law removes the one restraint that kept state spending in check over the past decade.

The 601-busting law permits a simple majority in each legislative chamber to raise taxes for both the 2005-07 and 2007-09 operating budget cycles. SB 6078 retains a spending limit in name only. It changed the limit from one based on government's needs for spending increases (growth in population plus inflation) to one based on government's wants (spending tied to economic growth).

Capital construction budget includes monies for 12th District projects

The Legislature approved a \$3.25 billion capital construction budget for the next two years. Funds are allocated on a statewide basis to maintain existing state-owned facilities including public schools, colleges, parks and prisons. The bond bill supporting the capital budget is \$1.56 billion. Other sources of funds include the Public Works Trust Fund and the Common School Construction Fund.

I voted for the capital budget, which includes several projects in the 12th District.

12th District capital budget highlights:

- Beebe Springs: This is a cooperative project to develop wildlife viewing opportunities and enhance fish habitat on Washington Department of Fish and Wildlife (WDFW) property across from the Chelan Fish Hatchery on the Columbia River, north of Chelan Falls. The Lake Chelan Sportsman Club (with donations from the Wenatchee Sportsman Club) is spearheading an effort to lengthen Beebe Creek to create better spawning conditions. The development of a summer chinook salmon acclimation pond in the vicinity offers the potential for a terminal fishery. These are the kind of projects that can boost local economies.
- Methow Valley Irrigation District: Monies are included to pipe or line seven miles of the irrigation ditch in order to improve irrigation efficiencies.
- Twin Lakes in the Methow Valley (continuation of funding from the 2003-05 capital budget) for evaluation of water right applications.
- Merc Playhouse in Twisp.
- Masquers Theatre in Soap Lake.
- Columbia Breaks Fire Interpretive Center in Entiat.
- Foster Creek Conservation District.

The capital budget also funds two projects at Wenatchee Valley College (WVC):

- Replaces Anderson Hall with the new Allied Health Building and replaces a nearby portable building.
- Renovates Brown Library.

New transportation spending package enacted

Two years after the Legislature passed a 5-cent state gas tax increase, the Legislature this year approved a 9.5-cent gas tax hike that is part of an \$8 billion, 16-year transportation spending package. The latest gas tax will be phased in over four years (3 cents this year, 3 cents in 2006, 2 cents in 2007, and 1.5 cents in 2008).

Weight fees created

The transportation funding package includes an annual weight fee for vehicles (with multi-modal transportation, rail and highways each receiving one-third of the revenue):

- \$10 for vehicles up to 4,000 lbs., such as a Ford Taurus;
- \$20 for vehicles between 4,000 and 6,000 lbs., such as a Lincoln Navigator; and
- \$30 for vehicles between 6,000 and 8,000 lbs., such as a Ford three-quarter-ton crew cab pickup.

Motor homes would be charged a flat weight fee of \$75 a year. The fee for light utility trailers weighing less than 2,000 lbs. will drop from \$30 to \$15 per year.

Fee increases

The transportation funding package includes the adjustment of many vehicle/driver license fees to cover costs. Here are some of them:

- An original driver license application fee is increased from \$10 to \$20.
- The fee for a drivers permit is raised from \$15 to \$20.
- Agricultural permits are increased from \$15 to \$20.
- A commercial driver license is increased from \$20 to \$30.

Highway projects in 12th District

The transportation package lists several highway projects in the 12th Legislative District.

- U.S. Highway 2: Wenatchee River Bridge, Chiwaukum Creek, roadside safety improvements, and a pedestrian trail connection in Wenatchee.
- State Route 150: Intersection illumination.
- SR 285: An additional eastbound lane on the George Sellar Bridge.
- SR 971: Intersection illumination.
- U.S. Highway 97: Pedestrian lighting in Brewster.
- SR 20: Bike path in the Winthrop area.
- SR 28/Junction US 2/97 to 9th Street – Stage 1 work that will extend Eastmont Avenue to the intersection of U.S. 2/97 and SR 28 and construct needed improvements at the intersection, reducing travel time on SR 28.
- Equipment underpass for Big Y intersection where U.S. 2 and U.S. 97 meet between Peshastin and Dryden.

Why I voted no on this package

I voted against the transportation revenue package, even though I realize it funds many important highway projects in our district and throughout Washington. You may recall I voted yes for the “Nickel Package” in 2003. This funded specific projects to be completed on certain

dates. Despite our transportation needs, I felt an increased gas tax and weight fees on top of an unsustainable operating budget would be too much for the average household.

Independent audits — a good thing

The transportation package includes \$4 million over two years for the state auditor to conduct independent performance audits on every aspect of the state’s transportation system except for the Department of Licensing and the State Patrol. I voted for this provision when it was amended onto the funding package. It is important to have independent performance audits to make sure our transportation system is functioning at its most efficient level.



Bill providing local government funding help signed into law

Many small towns and lightly populated counties in Washington, including several in our legislative district, have faced a growing funding crisis in recent years just trying to provide basic services. A measure that I prime-sponsored this year (ESSB 6050) provides needed and ongoing help for these struggling local governments without raising taxes or hurting the state operating budget.

The bill will provide about \$20 million in local government financial aid in the 2005-07 biennium, or \$10 million a year. This money will be distributed only to local governments most in need and will be split equally by cities and counties under a funding formula created by the Association of Washington Cities and Washington State Association of Counties. Annual funding to cities is capped at \$100,000. The first quarterly distributions are scheduled to take place on Oct. 1.

Several 12th District cities will receive annual funding thanks to this bill, including:

- | | |
|----------------------------|---------------------------|
| • Brewster – \$29,047 | • Grand Coulee – \$16,207 |
| • Bridgeport – \$85,314 | • Pateros – \$14,014 |
| • Cashmere – \$47,639 | • Rock Island – \$23,225 |
| • Electric City – \$35,235 | • Twisp – \$805 |
| • Entiat – \$36,787 | |

Counties receiving annual funding include:

- | | |
|-----------------------|------------------------|
| • Douglas – \$211,200 | • Okanogan – \$354,685 |
| • Grant – \$83,121 | |

A look at K-12, higher education issues this session

Simple majority vote on school levies. This year, two measures were introduced in the Legislature to allow school levies to pass with a simple majority instead of the current supermajority. HJR 4205 (levies only) passed the House of Representatives. HJR 4205 and the Senate bill, SJR 8202 (levies and bonds) passed the Senate education committee but not the full Senate. Washington voters placed a supermajority requirement on all excess levies back in the 1940s. This means whenever property taxes are to be raised in excess of more than 1 percent of assessed value, it requires a 60 percent yes vote. This applies to schools, fire districts, water districts, and other municipalities.

Roughly 95 percent of districts pass their levies each year, and only about three fail. Due to increasing property taxes, the request for a constitutional change is controversial. It would go to a vote of the people if it ever passes the Legislature.

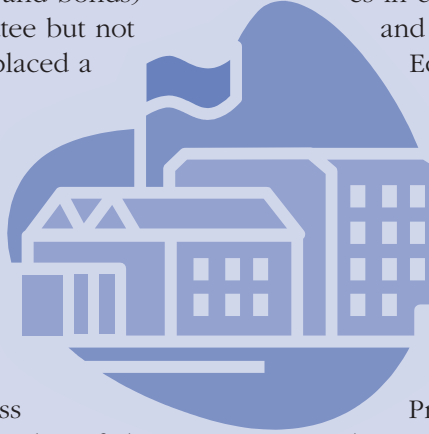
Studying the financing of education in Washington. E2SSB 5441 requires a \$1.7 million comprehensive study of education financing from early learning through higher education. A steering committee is appointed and interim reports to the legislative policy committees are due by November 15, 2005 and June 16, 2006. The final report to the Legislature is to be completed by November 15, 2007. Since there have been dozens of studies on education financing since

1970, this bill was also controversial and thought by some to be unnecessary.

Authorizing branch campuses to offer lower-division courses. Branch campuses were created in statute in 1989; they mostly offer upper-level classes in collaboration with their local community and technical colleges. A recent Higher Education Coordinating Board report recommended that due to the growing need, some branch campuses should also admit freshmen and sophomores. E2SHB 1794 expands higher education access by allowing some branch campuses to offer four-year degrees. This bill was controversial due to the expense of more expansion than originally recommended by the HEC Board. Preparing to handle the influx of new students expected to enter college by 2008, however, prompted the legislation.

For more information about K-12 education and higher education bills passed by the Legislature this year, check out these Web sites.

- **Office of Superintendent of Public Instruction:** www.k12.wa.us/LegisGov/default.aspx
- **Higher Education Coordinating (HEC) Board:** www.hecb.wa.gov/leg/LegislatureSession.asp
- **State Board for Community and Technical Colleges:** www.sbctc.ctc.edu/Legislature/CurrentLegSession.asp



Other new laws of interest

Major step in the fight against meth labs

Methamphetamine is a highly addictive illegal drug that is easily produced in a make-shift lab – creating a highly volatile and dangerous situation. ESHB 2266 regulates the sale of precursor drugs used to make meth.

- Products containing ephedrine, pseudoephedrine or phenylpropanolamine must be kept in a central location accessible only to store employees.
- Purchasers must show picture identification and must be at least 18 years of age.
- Purchasers may only buy two packages in a single transaction and in any 24-hour period.
- The Board of Pharmacy will conduct a statewide pilot project regarding the use of logs or other means of recording transactions.



Modifying local emergency medical service funding provisions

House Bill 1635 will mean the survival of ambulance services run by the City of Bridgeport and about a dozen other Washington cities. The bill authorizes cities to establish ambulance services to be operated as public utilities and imposes certain restrictions on a city's authority to establish an ambulance service utility in an area where a private ambulance service already operates.

Part of this bill permits towns of less than 2,500 that had an ambulance utility before May 6, 2004 (such as Bridgeport) the option of exempting or reducing Medicaid eligible persons from the combined rates charged for service. This option was critical for Bridgeport because without it, the town couldn't have afforded to have the ambulance service.





Modest progress toward achieving true election reform

The Legislature came into the session hoping to restore public confidence in elections, but election reform proved to be one of the year's most contentious issues. In the end, the Legislature passed improved voter registration and election procedures, but it fell short of adopting more meaningful election-law safeguards, including proof of citizenship and a cleanup of voter registration rolls. A proposal to move the primary date from September to August also failed.

Election reforms enacted by the Legislature this year include:

- Requiring provisional and absentee ballots to be visually distinguishable from poll ballots and not countable at poll-site counting machines.
- Requiring returned ballot envelopes to be kept in secure locations until opening.
- Prohibiting marking on ballots (to "enhance" them).
- Extending the general election certification period to 21 days (from 15) to provide more time for military and overseas ballots to arrive.
- Upgrading penalties so double voting is a class C felony, and destroying, altering or discarding a completed registration form or provisional ballot signature is a gross misdemeanor.
- Requiring voter rolls to be checked against law enforcement and court databases to identify felons.

Several other reforms demanded by citizens — including one that would require photo identification at the polls — were not enacted this year. There is more work to be done.

District office now open for 2005 interim

With the session having ended, I've moved my Senate office back to our legislative district for the interim. It is staffed by my legislative assistant, Shiloh Burgess. The district office is open Monday through Thursday from 9 a.m. to 5 p.m., and Friday by appointment. If you want to schedule a meeting with me, please contact Shiloh at (509) 663-9702 or burgess.shiloh@leg.wa.gov. The district office address is 625 Okanogan, Suite 301, Wenatchee, WA 98801.

Reducing unemployment benefits for year-round workers to increase benefits for seasonal workers

House Bill 2255 repeals major unemployment reforms approved in 2003. The measure makes an across-the-board 3.85 percent reduction in benefits for all year-round workers and uses that money and additional one-time federal funds to increase unemployment benefits for seasonal workers. Other senators and I argued that modifying the carefully crafted 2003 UI compromise would result in a less stable system, higher unemployment taxes and a less competitive business climate.

Other negotiators and I offered an additional \$75/week stipend for seasonal workers out of federal dollars available until we could complete a study of the seasonality provisions and develop economic models to determine the effect of changes on the stability of the system. This compromise was rejected by the majority party. The reforms, approved by a strong bipartisan vote in 2003, were intended to be the first step to help bring balance to our unemployment system to improve Washington's business climate and attract more jobs. Currently, Washington's per employee unemployment tax is one of the highest in the nation.

HB 2255 created the Joint Legislative Task Force on Unemployment Insurance Benefit Equity. I recently was appointed to this interim task force, which will review the UI system and report back to the Legislature next January.

Missing votes and why

This year, a very informative Web site called Washington Votes (www.washingtonvotes.org) kept track of the number of missed votes by state legislators. I missed a total of 90 votes this year, the most I have ever missed in my nine years in the Legislature. I missed these votes because I was involved in negotiations on several key measures, including the unemployment insurance reform bill, the drug precursor legislation (the "meth bill"), the ambulance bill affecting Bridgeport, and the Washington Recreation Wildlife Program bill.

If you question why your legislator voted a certain way or missed votes, do inquire to find out the details from them.

Bill sponsorships

I am very pleased to share with you some of the bills I prime-sponsored this session that were approved by the Legislature and signed into law by the governor or included in the operating budget:

SSB 5709 – Known as “the Stehekin bill,” it exempts a motor vehicle from annual registration when it is operated within a national recreation area that is not accessible by a state highway.

SSB 5914 – Known as the “deed of right” bill, and a request of the Chelan County commissioners and the Chelan Douglas Land Trust. In order to transfer salmon restoration project lands between government agencies, the Salmon Recovery Funding Board may make changes in grant conditions if habitat protection is not negatively affected.

ESSB 6050 – Providing financial assistance to local government (see page 3).

2SSB 5202 – Requiring a study on health savings accounts (HSAs) for public employees. Although this bill wasn’t passed by the Legislature, its language was incorporated in the operating budget with modifications. I have already sponsored legislation (SB 6130) for the 2006 session so HSAs can be an option of health care coverage for state employees, similar to what the private sector has.

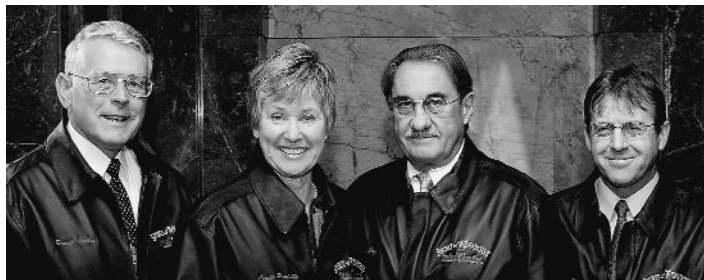
SB 5118 – I sponsored SB 5118, which was incorporated into ESSB 5396. SB 5118 required lands acquired by state agencies under the Washington Wildlife and Recreation Program (WWRP) to be subject to payments in lieu of local property taxes. It also allowed more grant money for trails and water access in the Outdoor Recreation Account. ESSB 5396 adds two new accounts within the WWRP to provide funds for the protection of riparian areas and the preservation of farmlands. The Interagency Committee for Outdoor Recreation (IAC) has not yet developed policies or guidance regarding the Farmlands Preservation Account.

I also introduced other Senate measures:

SJM 8000 – This joint memorial, approved by the Legislature, asks Congress to support creation of the Ice Age Floods National Geologic Trail (IAFNGT). The Ice Age Floods are viewed by experts as one of the most incredible geological events ever to occur in the Northwest. The proposed trail will use state highways and roads nearest where the Ice Age Floods occurred, so there shouldn’t be an infringement of property rights. The Ice Age Floods National Geologic Trail would bring tourists to our region, helping improve our economy, and it would help all of us learn about and appreciate one of the most spectacular natural events in history.

SR 8626 – Recognizes Washington’s tree fruit industry, which drives nearly \$6 billion per year in the state’s economy and provides more than 140,000 jobs for Washington workers, according to a recent economic study.

SR 8677 – Honors Clyde D. Pangborn and Hugh Herndon Jr. for their accomplishment of completing a 5,500-mile nonstop flight from Japan to East Wenatchee, in 1931, that took over 41 hours. The resolution also honors the Spirit of Wenatchee Project for its commitment to preserving the memory of these two gentlemen and their amazing achievement.



Sen. Parlette met with members of The Spirit of Wenatchee who were in Olympia this April for Sen. Parlette's resolution honoring Clyde D. Pangborn and Hugh Herndon Jr. for completing a nonstop flight from Japan to East Wenatchee in 1931. The Spirit of Wenatchee is a group that has raised awareness of this incredible aviation accomplishment. With Sen. Parlette (from left) are Ron Jacobus, Steve Joy and Brian McNeill.

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